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Terminology

Distributor	The entity distributing IntCom product in a given territory. This entity can be a part of the license holders own operations or a separate company doing the work on behalf of the license holder.
License holder	The entity that agrees with the terms and conditions of the 'IntCom Master License Agreement' and has now been allocated a territory.
Licensee	The entity that signed the license as the 'license holder'.
Franchisee	An entity that has agreed to the terms and conditions supplied via a license holder, has signed up as a franchisee, and may have paid for that privilege.
Installer	The entity that installs the equipment supplied by either the consumer (having bought it retail), or through the franchisee.
Certified	Having attended and completed the courses to be deemed 'certified', this includes franchisees, and installers. At a later date it may include license holders (and their staff), and sales people.
DIY	Do It Yourself, A consumer may buy the products and want to install it themselves, this would be a DIY installation. It has no installation warranty.

Companies Involved

- IntCom The International Company, that owns the International rights to the products and services contained within their license.
- DevSys Development Systems Ltd., the Research and Development (R&D) company that is contracted to supply R&D services to IntCom for the following 24 months (can be renewed if required).
- DevInd Development Industries Ltd., A company formed primarily to supply tools systems and services to companies starting up. This allows for a minimal cash outlay at start-up and each of the services can be replaced as required (and afford). (Accounting, Legal, IP(Intellectual Property – patents etc), governance services, staffing services, Through to desks chairs and office space).
- DevMan Development Manufacturing Ltd., A company that is contracted to supply all manufacturing services for new start-ups in particular. The initial 1,000 units are made inside DevMan. The following units will probably (depending on size of forecast orders) be subcontracted to other international manufacturing facilities. DevMan is also responsible for getting the products to the distribution chain (the logistics).

The Business model

is assumed to be as follows:

IntCom sells a territory / product license to a license holder, the licensee.

The licensee in turn – can sell product two distinct ways: (both if required)

- either through an existing chain, ie distribution company, to retail stores (mainly for DIY (Do it Yourself) people), and/or
- Set up franchisees within their own sub-territory.
 - A franchisee may (or may not) also be a certified installer.
 - A franchisees primary role is as a sales person within their allotted sub-territory
- A certified installer will have his installation guaranteed for a period of 12 months (as opposed to the normal ‘equipment only’ warranty).

The elements of the IntCom business model are as follows:

IntCom	The international parent, sells licenses for product types into allocated territories. Also arranges for other parties to procure, manufacture, and deliver product as necessary, and requested, by licensees.
licensee	The entity that has purchased a license therefore an exclusive right to market sell and install a particular product set in a given territory.
Franchisee	Has purchased a sub-license allowing for a localised territory and product sales from the master license holder. Has to be approved by the licensee. Will within 12 months, attend the franchisee certification course.
Installer	Has the skills, abilities, and wherewithal to install electrical services equipment. In some countries may be required to be an electrician. May attend a course to become certified in the IntCom methodology.

Notes:

- Updates to systems and services are the responsibility of the licensee, but will be supplied by IntCom.
- The update process will be as automated as possible. If possible no person should need attend an update session, of any given component of any product.
- IntCom can supply distribution services, if required, in licensees own territory, there will be a fee and all stock will be paid for prior to stocking.
- 90% of all computer functions performed by IntCom, each licensee, each franchisee, and installer; can be supplied and managed by IntCom directly from its own website.
- Each Controller within each premise is a website in its own right.
- The entire installation can be managed by a DIY person, using a screwdriver and their TV set. Even setting up the ability of the system to call and send a picture of the intruder to the DIYs cellphone

IntCom will be applying for new standards to be ratified regarding premise security.

IntCom will be applying for ‘ISO9000’ approval throughout its Distribution chain.

Benefits for 'International Co' Shareholders

New International standard for property security. Ours!
Privacy approval via privacy advocates for; "most secure system available for family protection without invading your personal rights".

Order of events and processes involved

The original idea for the products and services have been vested into a Trust Management company called Business Service Trustees Ltd (BSTL).
Business Service Trustees Ltd., issues a "Development License" to Development Industries Ltd., (DevInd).

DevInd is charged, under the license with developing the products, systems and services required to run and maintain the new company.

DevInd contracts an R&D (Research and Development) company called Development Systems Ltd., (DevSys) to develop the product and types of systems and services that the new operation will need.

DevInd also contracts (once the designs and service descriptions are complete) Development Manufacturing Ltd. to supply the logistics for the new company.

Development Manufacturing Ltd. (DevMan) is utilised to produce at least the minimal quantity of products to satisfy the initial market and maintain buffer stocks. It is also charged with originating the parts and supplies to be supplied to a 'known & friendly' manufacturing plant for the mass production run. Having manufactured the parts DevMans' job is complete once the consumer receives the completed unit in their hands, ie they are responsible for the entire logistical chain.

While the supply chain is being originated and organised, DevInd has the task of putting in place the Business Plan, Marketing plan, and every other system and service that the new company will require to operate.

DevInd will eventually supply a newly registered company for the operation to begin, including the allocation of the initial shares. If DevInd deems it appropriate to offset some of its own costs it can pre-sell a quantity of initial shares in the new company. (These originating members are in theory taking a 'sight unseen risk', consequently, can expect to have a large discount from the share's eventual price at time of going public - capitalisation).

Most new companies that have been generated by the DevInd process will have their shares quantities allocated as follows:

DevInd	10%
DevSys	5%
DevMan	5%
Staff Trustees	10% (to benefit the staff members)
Family Trustees	10% (to benefit the origination entities family)
Original inventor	20%
Initial share release	20% (max)
Capitalisation	20% (held by 'Promoter' – until company started)

The capitalisation process is used to formally capitalise the business – having proven the designs, concepts and systems & services of the new company, the risk has been minimised.

The share value can be justified and realised from the ROI.

This company will start with minimal outgoings (everything that would normally cost large sums of up front capital has been expensed by DevInd).

IntCom will start with its initial customer, and order.

DevInd will (once the IntCom has been running for an approved period & received a minimal income (probably over 25M)) send an account to IntCom for its work done in generating the company.

This is expected to be in the order of NZ\$5million.

IntCom will pay the account, and will in turn recall the loan that was made to DevInd from its equity account during the process of generation.

This puts the initial shareholders money (from the initial share release) back into the IntCom accounts.

To be prepared by DevInd for IntCom to be able to supply and support

Operation of the IntCom License manual

Operation of the IntCom franchise manual

Website services

Training services

Show and marketing support

Trade shows, support

Supplement local 'approved' marketing budgets

International advertising campaigns

Product

Staffing

Systems

Services

What does IntCom have:

- The International Company (IntCom) owns all international rights to the products produced for it.
- IntCom will manage the international website, that contains the following:
 - Information for consumers
 - Information for prospective license holders
 - A management area for present License holders
 - A distribution ordering and management system for distributors
 - A management service for certified franchisees
 - A management service for certified Installers
 - A set of training videos available to the general public to aid with their own installation (DIY)
 - A 'chat' area for all certified members
 - A 'chat' area for all license holders
 - A 'chat' area for all customers
 - A 'master' of the systems for the licensee to be able to run on their own system.
 - "How To!" service provisioning
 - Certification verification area, (and management system)
 - SED management system and service, (Support, Employment and Deployment)

- IntCom will, from start-up, have a number of contracts in place:
 - R&D (Research and Development) services; Development Systems Ltd.
 - Manufacturing and logistics management; Development Manufacturing Ltd.
 - Management services and support; Development Industries Ltd.
- IntCom is able to sell the right to localised territories, these are called license holders, and/or distributors.
 - They have purchased the right to own and operate an exclusive distribution operation within the territory defined within the “IntCom Distributors Master License”.
 - They may have purchased that right for a discounted value.
 - It is expected that the first Licensee will purchase his licensed territory with a 100% discount, the next licensee with 90% discount etc. (this will allow for an easier uptake of licenses)
 - The distributor is responsible for:
 - maintaining stock levels within their territory.
 - Managing the Certification of people within his territory to the IntCom ‘certified standard’ – Training courses include expectations, installation, selling, and consumer management.
 - Maintaining the sales figures as required by the “IntCom Distributors Master License”.
 - Setting up sales and distribution channels within their territory as required to meet customer demand, and expectation.
 - Finding and managing the required staff and resources (including):
 - Sales staff
 - Admin personnel
 - Stores personnel
 - Installers
 - Customer liaison
 - Franchisees
 - Franchisees, can purchase from the licensed operator a sub license, to allow them a sub-territory
 - Franchisees can (and may) operate independently of the Distributor, so long as the rules of both the distributor and the “IntCom Distributors Master License” are adhered too.

Franchisees can (and may) operate as both a sales operation and installation service. This will allow the franchisee to receive both commissions from such operations and the installation fee.

Benefits to Territory License holders

Own a defined territory to on-sell a security service and system, where you can earn an income from sales and other incidental required services.

You can pick to supply your own complete 'new' security service, or 'buy into' and add existing services to compliment those available through the licensed agreement.

You can choose to add the 'other' services as you/ your finances/ customer requirements dictate.

Minimum order quantities to maintain license.

Can have 'just management rights over territory' or, have a very cost-effective system to enable:

- Set up and manage call monitoring service
- Alarm monitoring service
- Selling (Franchisees) and installation staff
- Training system for
 - Franchisees,
 - Installers,
 - Consumers
- 'Certification' of services and staff to differing reward levels.
 - Certified and approved Franchisees
 - Certified and approved Installers
 - Certified and approved security personnel
- 'How to' service supplied, including;
 - selecting franchisees
 - selecting installers
 - selecting 'customer aware' staff
 - selecting security patrol staff
 - selecting best method of checking credentials of proposed staff
 - selecting best method of staff indoctrination, and training
- Budget management system
- Sales and installation management service
- Customer liaison package, - never lose a clients call, and response
- The entire system can be managed by remote,
- All upgrades and support services are supplied through the International license
- Ownership of controller:
 - Ability to upgrade as you want
 - Ability to recover from customer premise, right of access, for staff and service support
 - Ongoing income for use and upgrade-ability.
 - Minimal physical maintenance

Income

- Ongoing income – not just from sales,
- Lease of use of Controller, - monthly fee from consumer
- Access of Monitoring service, - monthly fee from consumer
- Sale of franchisees, income –one off per franchisee, (buying sub territory or product range)
- Training services
- 'Certification' process
- Ability to offer 'pre-pay' service

Website based in International company supplies:

- Website based ordering system for units
- Backup of license holders system, off-site.
- Supply and support latest training packages
- Supply and support latest versions of services and features to customer premise equipment

Website for License holder:

- Supplied complete with all operating requirements from day 1
- Website management provided for your own territory
- Website based management of :
 - Franchisees
 - Installers
 - Customers
 - Ordering system
 - Management service for franchisees, (able to use Cellphone to access)
 - Management service for Installers, (able to use Cellphone to access)
 - Call centre, management from "home based business"
 - Management of monitoring service and company
 - Management of Security personnel, via cellphone, with live pictures
 - Updating Consumer services and features, in premise controller
 - Budgeting service (per installer, franchisee, and licensee costs)
 - Accounting system
 - Customer alarm management services
 - Billing / Charging system, - ability to place on customers TV set.
 - Manage SED system (Support, Employment and Deployment)

Benefits to Franchisees

Own a selected sub territory managed and supported by the License holder.

Have access to, and use of, the latest equipment and services managed and maintained by a handheld device, fully supported by the License holder.

Manage your own territory, your accounts, your scheduling, your priorities, yourself.

Become part of a 'new' method of Support, Employment and Deployment. (SED)

Your personal handheld device, gives you controlled and approved access to:

- Your cellphone
- Use of TXT service to add new clients to your customer list
- Use of PXT service to add pictures and descriptive information for new products / services
- Interface to other computers – for backups and the latest download information from your license holder
- Maintain your work environment, backed up and recovered by remote
- Personal and business scheduler, with alarm reminders
- Personal and business phone and details tracking for clients
- Manage your costs and supplies
- Manage your accounts
- Manage your time & availability.
- A solely managed but externally supported business.
- Can utilise the payment services of the Licensee, in the following areas:
 - PAYE
 - ACC
 - GST
 - FBT
 - Any other state/ federal and/or local taxes
 - Payments for equipment purchases
- Interface directly with your local Installers
- Courses available for not only Certification, but:
 - How to run your own business
 - How to manage your accounts
 - Customer liaison
- No Installation work required.
- Your area can be maintained by another certified franchisee while you take your holidays

Benefits to installers

Have access to, and use of, the latest equipment and services managed and maintained by a handheld device, fully supported by the License holder.

Manage your own scheduling for jobs

Become part of a 'new' method of Support, Employment and Deployment. (SED)

Your personal handheld device, gives you controlled and approved access to:

- Your cellphone
- Use of TXT service to add new clients to your customer list
- Use of PXT service to add pictures and descriptive information for new products / services
- Interface to other computers – for backups and the latest download information from your license holder
- Maintain your work environment, backed up and recovered by remote
- Personal and business scheduler, with alarm reminders
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Benefits to consumers

Ease of use:

- System set-up and maintenance controlled by consumer, via their own TV set.
- All rooms that have cameras are monitored and recorded (by the second), for later use
- Recorded pictures are available from 7 days previously
- Can be installed by consumer
- Can be professionally installed by approved staff, 2 year installation warranty (eventually 5 years)
- Updates to software and conditional parameters controlled from central site, no access to consumer premise required
- Can be integrated with motor controlled devices to operate other devices:
 - Curtains
 - Blinds
 - Windows
 - Doors
 - Alternate access methods, (garage doors etc)
- Can be arranged to operate premise as ecological property. On a hot day, open windows on the cold side of the premise, to let air circulate through property, but if person is noticed within 20 meters of property - close windows, (and maybe curtains).
- One system allows for and replaces (or can supplement):
 - fire/smoke detection,
 - intruder system,
 - ecological improvements,
 - 'home alone' protection service,
 - 'I'm alive' service,
 - 'Panic' button, service,
 - 24/7 monitoring,
 - guaranteed latest updates to capabilities and options,
 - remote viewing of own premise, (inside and out) (via web, or cellphone PXT service)

An alarm condition could be caused by:

- Unknown person outside premises
- Picture blank – camera interfered with or heavy smoke? (smoke detection)
- Fire detection – see flames, from where, by whom (historic camera footage)
- Most animals can be ignored, if requested
- 'Home alone' - Extra body inside premise – not approved
- 'I'm Alive' service, - no 'alive' body present or responding.
- 'Panic' Button being pressed

Results of Alarm condition:

- Dependant on conditions set by consumer, any and all of the following :
- Could turn on lights in house
- Could turn on noise making devices (including – sound of large barking dogs running towards intrusion)
- Could ring cellphone of homeowner, and pass picture of condition that caused alarm (anywhere in the world)
- Could ring security company direct, (or police - after settling period)
- Consumer could pass authority to law enforcement officials to gain video access to premise, while intrusion, fire, etc is underway (access key valid for 24hours only)

Features:

- As alarm conditions do occur, the premise owner can start to offer exclusions to the system, this is our version of the consumer 'teaching' the controller to 'know' their premise.
- As alarm conditions do lessen, the installed system now has a 'reliability' factor, ie this alarm can be treated as x% real.
- The cameras are trained to learn where trees are, and how they interfere with the systems ability to monitor. (If a camera reaches its visible threshold, (approx 50% of picture), it then notifies consumer of obstruction, therefore either move cameras field of view, or trim back obstacle).